

## Connecticut Health Insurance Exchange Consumer Outreach Forum

### Small Employer Group Discussion Summary

**Date:**

February 23, 2012

**Location:**

Capital Community College, 950 Main Street, Hartford

**Background:**

Mintz & Hoke has been charged with developing the consumer outreach program for the Connecticut Health Insurance Exchange. A series of consumer outreach forums represent the initial steps in a multiple-phased information gathering process aimed at better understanding people's needs, desires and expectations relative to the Exchange. Input from participants in these group discussions, moderated by Mintz & Hoke, will have a direct impact on the development of messages and the tools used to introduce the Exchange and inform state residents about the options available to them. Recruitment consisted of an email invitation sent on February 14, 2012 and a second email invitation sent on February 22, 2012. This document is intended as a summarized snapshot of the initial perspectives shared by the individuals who participated. **This document is not intended to represent final thoughts or positions.**

**Moderators:**

Bill Field Mintz & Hoke

Andrew Wood, Mintz & Hoke

Kathy Morelli, Mintz & Hoke

**Invited to Attend:**

Consumer outreach forums were open to the public. Direct invitations went out to the following:

Bridgeport Regional Business Council

Central CT Chamber of Commerce

Chamber Insurance Trust

CT Business & Industry Association

CT National Federation of Independent Businesses

Eastern CT Chamber of Commerce

Greater Danbury Chamber of Commerce

Greater New Haven Chamber of Commerce

MetroHartford Alliance

Middlesex Chamber of Commerce

NW CT Chamber of Commerce

Small Business for a Healthy Connecticut

Spanish American Merchants Association

The Business Council of Fairfield County

Waterbury Regional Chamber of Commerce

**Meeting Attendees:**

Brian O'Connor, Middlesex Chamber of Commerce

Frank Alvarado, Spanish American Merchants Association

Paul Timpanelli, Bridgeport Regional Business Council

Stephen Glick, Chamber Insurance Trust

**Consumer Perception:**

**As an employer, what are your current mindsets about the healthcare industry? How does that differ from the mindsets of your employees? What is affecting these attitudes?**

The number of employers offering insurance right now is shrinking. I can validate that we are seeing a shift from group to individuals. I can tell you plans are made right now by carriers for that type of effort. We are seeing stipends offered from the employer for the consumer.

Currently people hate the status quo about insurance industry.

Businesses are dropping health coverage from 67-80% participation to less than 60% participation.

People are recognizing that the economic trend is in the right direction. They are still frustrated by the lack of job mobility, but the level of confidence is better than it was a year ago.

**What affects the decisions you make related to providing healthcare options for employees? What are the obstacles that your business faces in providing healthcare coverage?**

Look at the unemployment rate and everything that is going on currently. The problem with this program is that no one knows what it is going to cost, but they know there is going to be some price paid for it. There is no free lunch for anything. They know there are some things that are going to be offered. They are facing cost not necessarily monetarily, but through sacrifice of other things.

A lot of businesses don't deal with it until they have to deal with it. Until the state puts it on the books and implements it, businesses won't deal.

The people the Spanish American Merchants Association serves are doubly difficult to reach than the typical business person. If you do not have a firm that is expert in dealing with our community, you are going to have a difficult time. I have dealt with CL&P for programs that are giveaways and people still find it difficult to trust or understand. My advice is to work with someone locally who is expert in reaching the Spanish community.

The HUSKY plan as an example in Connecticut was a great program when it came out. People have never been able to communicate successfully the availability of the program. There are people who need it who don't know about it and don't have it. Language and cultural issues are a challenge.

**What are your perceptions about the forthcoming changes in healthcare insurance? How do you think these changes will affect your business? How do you think they will affect your employees?**

There is a total lack of awareness. I don't think there is a scintilla of the community that knows what is coming. Total confusion, lack of understanding. Changes on the federal level and state level. Business employees, owners, everyone.

People know something is coming but don't know what it is. When we passed legislation allowing kids up to 26 to stay on parents insurance, people didn't know it was coming. Until it actually becomes active there is going to be a steep learning curve for individuals and businesses.

Uncertainty.

As a company person if we establish a private exchange they might offer more choice. People will have more of an incentive to go if there are subsidies rather than a private program. There is trust on a local level. The law is taking that away. All laws are anti-agent.

The government will be checking your income to confirm where you fall within the subsidy offering. The government needs to manage this whole system just to manage the cost side of the marketplace. No matter how well you communicate, not everyone is going to get access to what they think they are going to get.

There are other benefits available on the employer side. How are you directing programs available to the consumer (employees)? An employer wants to offer things around health insurance along with health insurance. Certain services are voluntary in nature. People are living longer and need certain products specific to them. An employer may not buy it for their employee, but will work with their chamber to offer a voluntary program to offer these products. The private market does still have a place. A big market is the senior market. That is where a lot of carriers and businesses are spending their money because people are living longer.

I think people loathe the status quo, but the perception is that they are going to hate what is coming down the pike even more, due to double-digit increases and lack of flexibility.

If the company is making money, they don't care. They will take a 15% increase because they can take it off their taxes. There are some exceptions to the rule.

### **What kinds of questions do you have about how that affects small businesses?**

Employers have to hire people and retain them. Health insurance is not an issue that employees have to worry about right now. There is a risk of mass exodus. How will they retain employees? They will have to retain them through other means now. Incentives and value in some other form.

For the first time employers are considering converting premium cost for healthcare benefits into salary, and you are on your own for insurance. One of the reasons for that aside from the uncertainty of cost is the whole issue of confusion around the mandate. It is so complex to understand, manage, and understand the value of the options available. I don't get it and I don't want to spend the time getting it.

For most employers with 50 or less employees, that are not conglomerates, you spend eight hours a day with these people. It is kind of like a family. But when faced with the fiscal reality, plus if it is too confusing, employers will provide the benefit in salary form so employees can obtain insurance outside of the employer.

### **What is your current level of awareness of healthcare exchanges? What impact do you see this having on your business? How do you anticipate the exchange will affect the healthcare options available for you and your employees?**

We have gone through 4-5 hour meetings to understand the Exchange and every time something changes.

We have not begun attempting to explain the Exchange to businesses yet.

Some people are waiting until after the Supreme Court decision.

There is very little awareness among people who don't have coverage and businesses with less than 50 employees. People with over 50 employees have a lot of concern. They are the ones who have some understanding of what is going on. You are talking about a 300-400% increase in what they are paying for coverage.

It is hard to tell what the impact will be. It really depends on the offerings, how they compete with the marketplace. Is it a valuable benefit? Are employees gratified? Because I have so very little understanding of what the offerings will be, it is difficult to determine. It is a daunting task. There is so much frustration and anger relative to health care benefits and costs, that to turn that around into a positive direction as a result of this new offering is merely based on how it is currently.

Employers might just be interested in paying a stipend to allow employees to purchase individual insurance on their own. That might make for a more competitive environment.

### **Establishing a Dynamic:**

#### **What do you think are the greatest challenges the Connecticut Health Insurance Exchange faces in consumer outreach efforts?**

You need to express simplicity. If not, businesses will quickly make a decision to offer a stipend. If it is a bureaucratic nightmare for them, a headache, they'll say, "You know what, here is your \$2,500, go get individual coverage." It needs to be simple right off the bat.

This is a health insurance purchase program. Why not just call it that? I think people understand that. The HUSKY program I think took a long while to be associated with health insurance. It took 10 years pounding that message into people before they understood it.

And that's not even the real name of the program. Connecticut decided to use the HUSKY name because there were parallels with UConn. "Exchange" is bureaucratic. "A place to buy your health insurance." If you are going to have an insurance plan offering in Connecticut, it can't be called anything other than insurance.

One of the things that happens is if you have a healthy year and you get a bump or bonus that puts you into a different income bracket and you just signed up for a certain level of subsidy, that is going to be a problem.

You just want people to open the door and check it out. There is going to be a natural resistance. People fear it because they don't know what it is and because it is government run.

Getting the person to take action will be a challenge. Right now talking to business people, they look at it and don't do anything. They will check out rates, but they don't take action to make the purchase and offer the insurance.

With companies, if they can't control it, they will wait until runs them over and then they will deal with it. They need to have a sense that they can control, have some sense of opportunity. Take control of healthcare for your employees.

How is any employer going to interpret this as a good thing?

Small employers are on the hook to bring their offering up to a bronze level. That is going to be a killer. Carriers on the national and state level are lobbying to make that a non-issue.

**How do you think small businesses should access information about the Exchange? Who or what should carry the message? How does this differ with how you think employees should access the information?**

If Mintz & Hoke decides to have a meeting with local merchants on Park Street no one is going to show. But with the Spanish American Merchants Association (SAMA) people will come, because people understand SAMA on Park Street. It's local. There is trust. They don't know you from Adam.

Local chambers of commerce. Where you should spend your time is allowing these local organizations to push your message.

You should have certain things that are compulsory right now. Mandate every employer to post rules internally to educate employees.

You should use the means that are out there right now: company inserts to reach the employees.

Payroll stuffers are number 1. People look at their check. Secondary time is not as effective as the time of payroll. Put an electronic message on the stub.

**What role do you see insurance agents and brokers playing in the communications around the Exchange with you and with your employees?**

Agents and brokers are worrying that their business is going to die because everyone is against them. No one is listening to them here in the state. They say they are listening but there is something against the agent. Agents advocate against the carrier. They are taking agents out of the business.

Agents are looked at as an administrative cost.

Carriers are also moving against brokers because they are going directly to consumer. The consumer will be going directly to the Exchange. If agents want to be viable they are going to have to evolve, and become navigators. They are scared. That is why you see a lot of consolidation going on right now too.

**Focusing the Message:**

**What elements of the Exchange do you think cause the most confusion or apprehension for you as an employer? For your employees?**

What is the "Exchange" that we are referring to? I don't think at this point anyone really understands what it is. The term "Exchange" is meaningless. It is more destructive than constructive. There is no connection between what they are really providing. Exchange implies that we are giving each other something, but what is the state giving me?

Also, employers currently expect a certain percentage of employees who don't choose to take the plan they offer, but in 2014 they are anticipating taking on much more participation.

The concern is for companies that are middle of the road who are looking to expand will choose not to expand to stay under 50 lives to be accommodated by the Exchange. The employer marketplace alone is a nightmare.

It is even worse if you get older, sicker workplaces that say, "This is my only viable option."

Any employer who offers insurance will look at the Exchange. They will compare it with what they offer now. Plans have to be compliant with a certain level. Something like 50% of small business plans would not be compliant with the bronze level.

For example, health savings accounts (HSAs) will not be compliant. HSAs have been a successful program. They appeal to certain audiences and have cut costs for companies and historically made people healthier. There will be no HSA type plan offered by the Exchange. It would be great if the private Exchange offers an HSA but the laws don't express any continuation of them.

Companies want to do right by their employees and also for the bottom line.

If it is local they will be more likely to check it out.

Don't even mention government.

I don't care who's running it. If I want information I am going to go to my local guy who is well versed in the subject.

A logo or endorsement is fine. They're going to look to organizations they trust for the okay. If the chamber or the merchants association has blessed it, endorsed it, then I'll check it out.

### **What is the most important information the Exchange needs to make available to consumers?**

No one knows what is going on. Business people or others. Very few people have any insight about what is in store for them in 2014. There is a major challenge here and if you are going to get to the employee you will have a major challenge. It is not something that has been well defined by the federal government and the clock is ticking.

If you move from an employer with over 50 lives to an employer with less than 50 lives then you need to reapply. The system will be complex.

### **What tone or personality do you think the Exchange should use in their messaging?**

Add the Exchange to the list of current aggregators out there that make their markets easier to understand. When you talk about the branding question, look at the descriptors that are out there for those types of services that are available like Expedia. The name has nothing to do with what it offers.

You need to have some sort of trademark.

If you want to compete in the small business environment, then you need to play into the Exchange.

Maybe the message is not cost savings, but the ability to shop and compare.

I would not use the words “saving money” with this program. This is going to bring down the older people’s rate and increase the younger people’s rate.

Messages have to appeal to business owners. “Your renewals are coming up. Why don’t you think about the Exchange as an option?” For individuals, “Ask your employer what they are offering.” Both sides think differently. The employer is focused primarily on cost. They want to know what the best health benefits are that they can offer their employees without breaking the bank. For the individual who does not have insurance, it is about safety, family and protection. Bankruptcy is often caused by healthcare costs.

### **Vision/Approach for Outreach:**

**What is the best way to communicate about the Exchange to small businesses and their employees? Where should these communications take place and how should they be presented?**

Education has to be on a local level. The only local structures for small business are chambers of commerce. CBIA is good but it is not understood at the individual community level, because most are not involved with them.

One of the issues is that the non-English speaking community may not have the same access to information. Advertising, putting communications up that reach that community. In the doctor’s office. People look to their employer to provide insurance information.

Are you going to have two messages to individuals and to small businesses? They’re different audiences I think you should.

You need to have a universal message plus some more targeted messaging aimed at businesses and community groups.

**As we consider ways to publicize the Exchange, how do we reach small businesses beyond traditional media?**

There are so many different sorts of tools today that you need to use. I am a big supporter of email, YouTube. I am not crazy about webinars but some might be into it. If you put a link on a chamber website, you will probably have access to 15,000 businesses on a regular basis. Create a 15-second message that clearly explains what this is about attached to a PowerPoint that provides further information.

For our clients it is still the getting people in a room concept. We are trying to get people more into electronic communication, but right now it is the old fashioned get people together in a room and explain it to them.

Generally the tendency and desire to get people together in a room is not what it used to be.

We have a lot of success with Brainshark. We have to do that because of the complication of what we’re explaining (insurance).

Four Square.

**Who or what are small businesses trusted source(s) for information? What is the best way to leverage these sources to reach this audience? What role should ambassadors play in communicating the Exchange?**

Chambers should be the navigators in the state because they are the only people who have local reach. If you use some outside source or organization, I don't know where else you are going to find a source that is so well equipped with the local area. You need to have people who have credibility in every community, on every Main Street in Connecticut. Norwich is different from Bridgeport and different from Middletown. You can't just make one message that is going to be understood.

We all have executive committees and boards who are community leaders within chambers where you might want to do your initial kind of launch. Within the chambers you have immediacy, because they then have a buy-in and it spans out from there.

If there is a navigator organization, which I think the chamber has become, it gives strength to the message.

You have the economic development professionals and the municipalities. Development professionals are specialists that are supposed to reach businesses in local communities. I don't know how this affects nonprofits. They are employers in the communities as well.

Make sure to focus on churches and local community groups.

Keep it local in each community.

We were able to enroll something like 30,000 kids who were in need of assistance from the HUSKY program who were not getting help. We did this by going through local organizations, churches, SAMA. That was effective. Nonprofit providers, hospitals, and 2-1-1 are all very helpful.

**How can we make it easier for small businesses to understand the Exchange and feel more comfortable with it?**

You can't have the state up here setting up a program. It has to come local to grass roots areas. You really need to grasp the dynamics of the cultural side of Connecticut and the business sector. You have got to be local. Health insurance is a local issue, a local need. You go to a local doctor, not one elsewhere in the state. The state has not done a good job of bringing information down to the common person. Or they have tried to but not reached that person.

**What do you need to enable you to help your employees better understand the Exchange (i.e. communications, tools, education materials, etc)?**

Create a YouTube channel to walk people through it. Conduct panels where you explain things and walk people through PowerPoint presentations, so local organizations can communicate and educate individuals on the local level. We could get you the audience; you would just need to provide the experts.

After some communication you need a checklist to confirm whether people understand a set of points. That way, employers can gauge understanding. You need a way for local people to provide feedback.





**What can we do to help how the Exchange impacts your business in a positive manner?**

Be sure to do focus groups with small businesses themselves down the road to get their input.

**Describe what you would consider to be a successful outreach effort. What are the key elements that must be a part of the introductory outreach efforts?**

Your challenge and success will be getting this to be a word of mouth thing. Get employers talking to their employees about the Exchange. You will have a slow start with enrollment.